if so, what measures Government have taken or propose to take to recover the same?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) to (d) M/s. Swadeshi Cotton Mills Company Ltd. is not a nationalised Company. It is privately owned. The Government is, therefore, unable to furnish information in respect of this Company.

Letter of credit back-dated by Reliance Industries Ltd.

2756. SHRI PRAMOD MAHAJAN:
SHRI SHANKER SINH VAGHELA:

Will the Minister of FINANCE be pleased to state:

(a) when did the Reserve Bank of India detect that the Letter of Credit for the Reliance Industries Limited was back-dated before Government took a policy decision regarding a change whereby the import of TPA was to be banned;

(b) as a result thereof, by how much the Reliance Industries stood to gain, and

(c) since then, what action has been taken against the Reliance Industries Limited and what is the outcome thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c) Reserve Bank of India (RBI) has reported that in November-December, 1985, it had undertaken scrutiny of transactions in five Bombay bank branches relating to opening of letters of credit for import of TPA by M/s Reliance Industries Ltd. synchronising with the change in the import policy in respect of TPA on 29th May, 1985.

RBI has intimated that it has no information in regard to the alleged gain of Reliance Industries.

Central Bureau of Investigation had also undertaken investigation of these transactions and its report is under examination.

Pay fixation of Central Government employees on point to point basis

@2757. SHRI BIR BHADRA PRATAP SINGH:
DR. RATNAKAR PANDEY:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that consequent on recommendations of 1st, 2nd and 3rd Pay Commissions, the pay of Central Government employees in different grades was fixed in new scales on point to point basis giving them benefit of the annual increments earned in respective grades;

(b) whether no such protection of annual increments earned by the employees exists in the 4th Pay Commission's recommendations with the result that pay of senior personnel in various grades having put in a number of years of service have become equal to that of new entrants and the senior people have been put to disadvantage; and

(c) if so, what steps are being taken to give the benefit of service in a particular grade to senior personnel by way of fixing their pay on point to point basis?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) to (c) The first, third and fourth Central Pay Commissions did not re-

@Previously Unstarred Question 2377, transferred from the 17th March, 1988.

commend fixation of pay of Central Government employees in revised scales on point to point basis. The second Pay Commission, however, did recommend fixation of pay on a point to point basis subject to certain limiting conditions.

The Government have accepted the recommendations of the fourth Central Pay Commission contained in Chapter 30 of its Report regarding fixation of pay in revised scales of pay subject to the modification that the minimum benefit calculated at 20 per cent of the basic pay has been raised from Rs. 50/- to Rs. 75/-.

Based on the recommendations of the Pay Commission the Central Civil Services (Revised Pay) Rules, 1986 also provide for stepping up of pay of Government servants on fulfilment of prescribed conditions

Copies of the Report of the fourth Central Pay Commission, the Resolution and the Notification issued in this regard have already been placed on the Table of the House separately.

Revision of MODVAT scheme

2758. SHRI A. G. KULKARNI. Will the Minister of FINANCE be pleased to state:

(a) whether the MODVAT scheme has recently been revised and production of branded items produced in small or ancillary industries are not getting the benefit of MODVAT; and

(b) if so, what are the reasons for such a step and whether Government are aware of the reduction in ancillary work awarded to the small industries as a result thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT PANJA): (a) There has been no such change in the MODVAT scheme. MODVAT credit is available to the small and ancillary industries. However, the excise duty exemption schemes in respect of certain excisable goods were amended with effect from 1.10.1987 so as to deny duty concessions in respect of such goods manufactured in the small and ancillary industries under the brand name of a person who is not otherwise eligible for duty concession under the small scale exemption schemes. As a consequence of this the user industry purchasing such goods would get MODVAT credit only of the duty actually paid.

(b) The above modifications were done in order to reduce the chance of large manufacturers or traders deriving unintended benefit by getting their goods manufactured by units in the small scale sector. No significant reduction of ancillary work consequent to the amendment of small scale exemption schemes has been reported so far.

Central assistance for installation of tubewells in Rajasthan

2759. SHRI SANTOSH BAGRODIA: Will the Minister of WATER RESOURCES be pleased to state:

(a) whether the Central Government have provided funds to Rajasthan Government for the exploitation of underground water potential through the installation of a number of tube-wells; and

(b) if so, what is the quantum of funds provided for this purpose to the Government of Rajastnan?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) and (b) Under a Centrally Sponsored Scheme assistance is provided to States for Minor Irrigation Works which include installation of tubewells. Central assistance released to Rajasthan during 1987-88 (upto December 1987) under the Centrally Sponsored Scheme of A